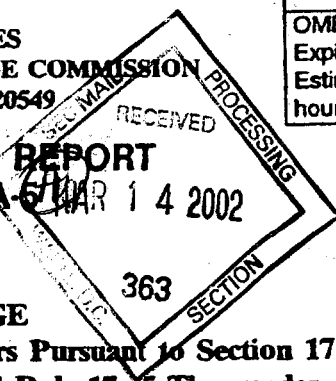


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4/12/2002



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**ANNUAL AUDITED REPORT  
FORM X-17A-6  
PART III**



TC 3/26  
OMB/APPROVAL  
OMB Number: 3235-0123  
Expires: September 30, 1998  
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SEC FILE NUMBER  
8-46569

**FACING PAGE**

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 1/01/2001 AND ENDING 12/31/2001  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

GOLDEN STATE MUTUAL SECURITIES CORP.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

1999 West Adams Blvd

(No. and Street)

Los Angeles, CA 90018

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

323-731-1131 ext. 227  
(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

William Jenkins III

(Name — if individual, state last, first, middle name)

2500 Wilshire Blvd. Ste 509, Los Angeles, CA 90057

(Address)

(City)

(State)

Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

PROCESSED

APR 15 2002

THOMSON  
FINANCIAL

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (3-91)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

89-475

## OATH OR AFFIRMATION

I, Charles James, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of GOLDEN STATE MUTUAL SECURITIES CORP., as of 12/31, 19/2001, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

NONE

Lorelei Little  
Notary Public

Charles James  
Signature  
PRESIDENT  
Title



This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☒ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

GOLDEN STATE MUTUAL SECURITIES CORP.  
(A CALIFORNIA CORPORATION)

MANAGEMENT LETTER  
AS OF DECEMBER 31, 2001

**WILLIAM JENKINS, III**  
CERTIFIED PUBLIC ACCOUNTANT

2500 WILSHIRE BOULEVARD  
SUITE 509  
LOS ANGELES, CALIFORNIA 90057  
(213) 389-6522

February 19, 2002

To The Board of Directors  
Golden State Mutual Securities Corp.  
Los Angeles, California

I have audited the financial statements of Golden State Mutual Securities Corp. ( A California Corporation) as of and for the year ended December 31, 2001 and have issued my report thereon dated February 19, 2002. In planning and performing my audit of the financial statements of Golden State Mutual Securities Corp., I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure. I have not considered the internal control structure since the date of my report.

Golden State Mutual Securities Corp's internal control structure consists of policies and procedures established by management to provide reasonable, but not absolute, assurance that financial data is recorded, processed, summarized and reported consistent with assertions embodied in the financial statements. In establishing those policies and procedures, management assessed their expected benefits and related costs.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. However, I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level, the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

During the audit, I noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies.

Golden State Mutual Securities Corp.  
February 19, 2002  
Page 2.

**BANK RECONCILIATION:**

Condition: The reconciling procedure was incomplete, because two lost revenue items dated August 5, 2001 and September 11, 2001 were shown and there wasn't any evidence that any follow-up procedures were applied until February 10, 2002.

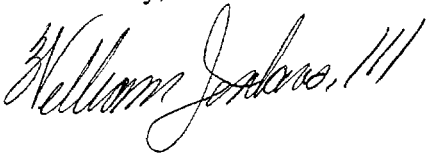
Recommendation Reconciling items note during the reconciliation procedures should be followed up on and resolved promptly.

**FIDELITY BOND:**

Condition: The Corporation's fidelity bond expired November 1, 2001 and was not renewed until January 27, 2002. Thus from November 2, 2001 through January 26, 2002, the Corporation was self-insured against losses. The Corporation has limited resources, which could cause its ability to satisfy losses, to have a material impact on the continuance of operations.

Recommendation: The Corporation should adopt procedures to insure that no lapse in insurance coverage occurs.

Sincerely,

A handwritten signature in cursive script, reading "William J. Adams, III". The signature is written in dark ink and is positioned below the word "Sincerely,".